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Mr. Dulles:

While you were in the Intelligence Board meeting yesterday, Congressman Harry Sheppard of California, who as you know is on the House Appropriations CIA Sub-Committee, called and wanted to speak to you. In your absence he spoke to me and asked if I would have someone call him and give him some details as to how the bidding and contracts were handled for our new building. In Gates Lloyd's absence at the time, I had [redacted] call and talk to Congressman Sheppard and give him the information he wanted. According to [redacted] STATINTL

Sheppard stated that he had been called by one of the contractors who had bid on our contracts. This contractor informed Sheppard that we had a number of alternates upon which bids were to be made, but that he, the contractor, believed that none of the alternates should be considered as they would constitute a waste of money. [redacted] explained that we had cut down the size of our building about a year ago and that we had asked for bids on a basic building in order to be sure we got within the funds appropriated by Congress. He also explained that in addition we had asked for alternate bids on other items that we considered most desirable to have in the building should funds be available to incorporate them. After the conversation, [redacted] stated that Sheppard expressed his complete satisfaction with our handling and demonstrated that he possessed a very good knowledge of bidding and contracting procedures and also of the cost fluctuations between a year ago and the present time. [redacted] gave him the names of the people in PBS who will be the actual contracting officers for the Government in case he wished to speak to them. STATINTL

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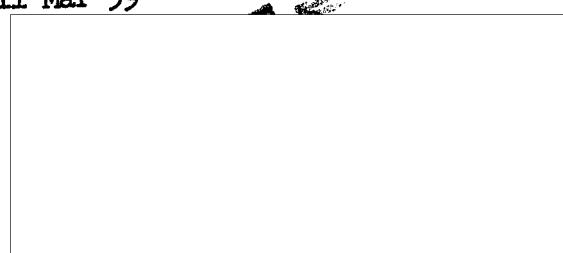
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Sheppard closed the conversation merely asking that he be advised who was awarded the contract and the amount involved after the contract was awarded. He stressed that he did not wish to put any pressure on this one way or the other, and he did not desire this information for purposes of publishing it since he assumed that a public announcement would be made by the PBS when the contract was finally awarded. [redacted] assured him that his assumption in this regard was entirely accurate and stated that we would have him advised who had received the contract when the decision was finally made.

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cc: [redacted]



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## CENTRAL INTELLIGENCE AGENCY

## Memorandum of Conversation

DATE: 10 March 1959

SUBJECT : Telephone Conversation with Congressman Harry Sheppard,  
California, Member of Sub-Committee on House Appropriations

PARTICIPANTS: Congressman Sheppard (Code 180, Ext. 4011)  
 [redacted] (DCI Assistant)

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1. [redacted] called to inform [redacted] that Congressman Sheppard had called him (failing to reach the Director) to obtain the present status of the building contract and how the contract would be handled.

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2. [redacted] called Congressman Sheppard to inform him that Mr. F. Moran McConihe, Commissioner of Public Buildings Service was the Contracting Officer and that the award of the contract would be made from that office. [redacted] explained that thirteen bids had been received, the bids were most favorable and several low bids were quite close together. Also that bids on twenty alternates were received in order to assure award of a contract within available funds and that a review was now being made to determine which alternates will be acceptable.

3. Congressman Sheppard stated that he had spoken to a friend of his who is a building contractor and that the contractor had stated that he was \$167,000 low in the bidding. The Congressman also said it was apparent how a bid might be low on one basis and not be low if other alternates were chosen and that he understood that our specifications permitted this which might make it "rough."

4. Congressman Sheppard asked to be informed after a decision has been made as to the award of the contract, when it is to be awarded, the amount of the base bid, the alternates to be accepted and their price.